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FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Commission

FROM: Lawrence H. Norton *LH Norton*
General Counsel

Richard B. Bader *RBB*
Associate General Counsel

Stephen E. Hershkowitz *SEH*
Assistant General Counsel

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Attorney

RE: MUR 5295: Jessica Elnitiarta, Panda Estates Investment, Inc., and Ted Sioeng

DATE: January 16, 2003

Because of changes in circumstances, outlined below, we recommend that the Commission take no further action against the Respondents and close the file. The current statute of limitations waiver expires on Tuesday, February 21, 2003.

BACKGROUND

This case concerns violations of 2 U.S.C. 441e(a). Jessica Elnitiarta, a permanent resident of the United States, is the owner and sole shareholder of Panda Estates Investment, Inc., ("Panda Estates"), a California corporation. In 1996, Ms. Elnitiarta made at least one contribution in the amount of \$100,000 to the Democratic National Committee ("DNC"). She made the donation from her own bank account into which she

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transferred funds from an account in the name of her aunt, a foreign national. The money in the aunt's account came from Ted Sioeng, a foreign national, who is Ms. Elnitiarta's father, or from foreign corporations owned by Ted Sioeng. Similarly, Panda Estates made donations to the DNC in the amount of \$100,000 and a contribution of \$50,000 to the campaign of state treasurer Matt Fong, using some foreign funds transferred from the aunt's account which included money from foreign corporations connected with Ted Sioeng. The Commission found probable cause to believe that Jessica Elnitiarta and Panda Estates violated 2 U.S.C. 441e(a) which prohibits "any person to solicit, accept, or receive any . . . contribution from a foreign national." This matter was originally part of MUR 4530, the large DNC 1996 foreign contributions investigation.

NEW DEVELOPMENTS

On August 27, 2002, the Commission voted to sever the portion of MUR 4530 involving Ms. Elnitiarta and Panda Estates and to create MUR 5295.¹ Since the time when the Commission authorized us to file civil suit on November 28, 2000, we have been involved in settlement negotiations.

DISCUSSION

As noted in our Memorandum to the Commission of June 24, 2002, Ms. Elnitiarta has left California and now resides in Indonesia. This effectively places her beyond our service of process. She also has an incentive not to return to the United States in order to avoid criminal prosecution. Panda Estates, whose sole owner and registered agent is Jessica Elnitiarta, is still listed as an active corporation in the public records of the California Secretary of State, but it is unclear whether Panda Estates has any assets. Attachment 1.

Records available on the Internet indicate that the Hollywood Metropolitan Hotel was owned by Panda Hotel Investment, Inc., a corporation whose registered agent is Jessica Elnitiarta. Attachment 2.

¹ The Commission also included Ted Sioeng, Jessica Elnitiarta's father and source of foreign funds, in MUR 5295, but as noted in the General Counsel's Report dated August 21, 2002, Ted Sioeng was never served with the Reason to Believe Notice and he was not included in the Commission's authorization to sue. Mr. Sioeng was included in the new MUR 5295 because of his connections to Ms. Elnitiarta and Panda Estates.

Public records available on the Internet indicate that the Hollywood Metropolitan Hotel was sold on May 1, 2002.² Attachment 2. In these circumstances, it appears that it would be futile to try to pursue a civil suit against Jessica Elnitiarta or Panda Estates.

Second, as a factual matter, this case is less compelling than some other intermediary cases because the primary bank account the respondents drew upon to cover their campaign contributions and donations apparently was an established account into which Ted Sioeng had made numerous infusions of foreign funds and from which Ms. Elnitiarta had made many disbursements to family members and for family businesses over a period of years. That is, it was not established for the specific purpose of infusing foreign national money into United States campaigns.

MUR 5295 is the last piece of the 1996 DNC complex of matters. The Commission has already received significant civil penalties and admissions from a variety of respondents. In light of the difficulties we are likely to encounter trying to serve these respondents, counsel's representations that Ms. Elnitiarta, who is the sole owner of Panda Estates, has no assets to pay any civil penalty,

we recommend that the Commission use its prosecutorial discretion and take no further action against these respondents and close the file.

² Records available on the Internet indicate that any proceeds from that sale likely would have been consumed by the millions of dollars of outstanding loans on the property. This hotel was owned by a different Elnitiarta family corporation that was not involved in the FECA violations at issue here, so that corporation would not be a defendant in the Commission's lawsuit in any event.

RECOMMENDATIONS:

1. Take no further action against Jessica Elnitiarta, Panda Estates Investment, Inc., and Ted Sioeng.
2. Close the file.
3. Approve the appropriate letters.

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